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## Tarrant County Texas

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## **AMENDMENT AND EXTENSION OF OIL, GAS AND MINERAL LEASE**

THE STATE OF TEXAS  
COUNTY OF TARRANT

**KNOW ALL MEN BY THESE PRESENTS:**

WHEREAS, Robert K. Armstrong and Nancy R. Armstrong, Husband and Wife, whose address is 2817 Broadacres Lane, Arlington, Texas, 76016 ("Lessor") entered into an Oil and Gas Lease with DDJET Limited, LLP dated June 7, 2007 ("Lessee"), a memorandum of which is recorded in the Official Records of Tarrant County, Texas as document D207350157, covering lands more specifically described therein ("the Lease"), and,

WHEREAS, Lessor and Lessee desire and it is their intent to delete and replace in its entirety the Pooling Clause (noted as paragraph 5 in the lease) and to amend the Lease to (a) extend the primary term by an additional thirty-six (36) months as hereinafter set forth; (b) replace the pooling clause included in the Lease (c) adjust the royalty rate from 22.5% to 25% (d) ratify and confirm the Lease, as amended herein.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by Lessor, the undersigned Lessor does hereby amend the Lease as follows:

"The primary term shall extend to June 7, 2013, and for as long thereafter as oil, gas or other minerals covered hereby are producing in paying quantities from the leased premises, or from land pooled therewith, or the Lease is otherwise maintained if effect pursuant to the provisions hereof."

And further amend to read as follows:

"Wherever reference is made to a 22.5% royalty herein, said royalty shall hereby be amended to read 25% royalty."

"Lessee shall have the right but not the obligation to pool all or any part of the leased premises or interest therein with any other lands or interests, as to any or all depths or zones, and as to any or all substances covered by this lease, either before or after the commencement of production, whenever Lessee deems it necessary or proper to do so in order to prudently develop or operate the leased premises, whether or not similar pooling authority exists with respect to such other

lands or interests. The unit formed by such pooling for an oil well which is not a horizontal completion shall not exceed 80 acres plus a maximum acreage tolerance of 10%, and for a gas well or a horizontal completion shall not exceed 640 acres plus a maximum acreage tolerance of 10%; provided that a larger unit may be formed for an oil well or gas well or horizontal completion to conform to any well spacing or density pattern that may be prescribed or permitted by any governmental authority having jurisdiction to do so. For the purpose of the foregoing, the terms "oil well" and "gas well" shall have the meanings prescribed by applicable law or the appropriate governmental authority, or, if no definition is so prescribed, "oil well" means a well with an initial gas-oil ratio of less than 100,000 cubic feet per barrel and "gas well" means a well with an initial gas-oil ratio of 100,000 cubic feet or more per barrel, based on 24-hour production test conducted under normal producing conditions using standard lease separator facilities or equivalent testing equipment; and the term "horizontal completion" means an oil well in which the horizontal component of the gross completion interval in the reservoir exceeds the vertical component thereof. In exercising its pooling rights hereunder, Lessee shall file of record a written declaration describing the unit and stating the effective date of pooling. Production, drilling or reworking operations anywhere on a unit which includes all or any part of the leased premises shall be treated as if it were production, drilling or reworking operations on the leased premises, except that the production on which Lessor's royalty is calculated shall be that proportion of the total unit production which the net acreage covered by this lease and included in the unit bears to the total gross acreage in the unit, but only to the extent such proportion of unit production is sold by Lessee. Pooling in one or more instances shall not exhaust Lessee's pooling rights hereunder, and Lessee shall have the recurring right but not the obligation to revise any unit formed hereunder by expansion or contraction or both, either before or after commencement of production, in order to conform to the well spacing or density pattern prescribed or permitted by the governmental authority having jurisdiction, or to conform to any productive acreage determination made by such governmental authority. In making such a revision, Lessee shall file of record a written declaration describing the revised unit and stating the effective date of revision. To the extent any portion of the leased premises is included in or excluded from the unit by virtue of such revision, the proportion of unit production on which royalties are payable hereunder shall thereafter be adjusted accordingly. In the absence of production in paying quantities from a unit, or upon permanent cessation thereof, Lessee may terminate the unit by filing of record a written declaration describing the unit and stating the date of termination. Pooling hereunder shall not constitute a cross-conveyance of interests."

It is understood and agreed by the parties hereto that the provisions hereof shall supersede any provisions to the contrary in the Lease. For adequate consideration, Lessor does hereby adopt, ratify and confirm the Lease, as amended hereby, and does hereby stipulate that the Lease remains in full force and effect. Insofar as is necessary, Lessor does hereby lease, let, and demise to Lessee the lands covered by the Lease, pursuant to the terms and provisions of the Lease, as of the Effective Date set forth herein.

The terms and provisions hereof shall be binding upon the parties hereto, their respective heirs, legatees, devisees, persona representatives, successors and assigns.

IN WITNESS WHEREOF, this instrument is hereby made effective as of the July 8, 2009, regardless of the actual day of execution and acknowledgement by any or all of the parties constituting the Lessor herein.

**Lessor:**

Robert K. Armstrong

Nancy R. Armstrong  
Nancy R. Armstrong

## ACKNOWLEDGMENTS

STATE OF TEXAS  
COUNTY OF TARRANT

The foregoing instrument was acknowledged before me on the 9th day of July,  
2009, by Robert K. Armstrong and Nancy R. Armstrong.

strong  
De Hart

**Notary Public in and for  
The State of Texas**

